

REMARKS

In the subject office action, claims 1-3, 8-10 and 15 were withdrawn from consideration. The abstract of the disclosure was objected to. It was indicated that an information disclosure statement was missing. The abstract of the disclosure was objected to. The specification was objected to and the drawings were objected to. Claims 11 and 12 were rejected under 35 USC 112 and 102. Claims 13 and 14 were indicated as allowable once 112 problems were overcome. Applicant has amended claim 13 and the specification to overcome section 112 problems and applicant submits the application describes the invention in such clear and precise manner as to enable one skilled in the art to practice the invention.

Applicant has complied with all of the Examiner's section 112 rejections and objections. Applicant respectfully traverses those rejections with respect to the amended specification, claims and drawings. The status of the application has been updated. Corrections to the specification on pages 1, 8, 9, 10, 14, 15 and 16 have been made. Changes to the drawing sheets 3, 4 and 5 have been made in order to overcome the Examiner's rejections. Reconsideration and withdrawal of the Section 112 rejections is respectfully requested.

Applicant encloses an inventor's disclosure statement with this amendment and that the patents therein be reviewed in connection with the instant application.

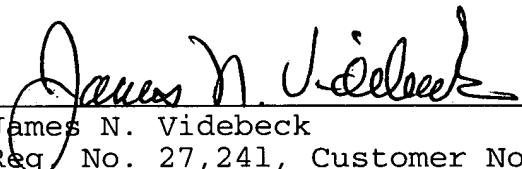
The rejection of claims 11 and 12 under 35 USC 102 over Krekeler is respectfully traversed with respect to claim 12 as

amended. Applicant has rewritten claim 13 in independent form and has indicated the spacer includes "indent" means at its bottom. Neither the embodiment of figure 37, nor the embodiment of figure 40 or 41 of Krekeler disclose an indent on the bottom of the spacer. None show a combination of an indented bottom and means for preventing the spacer from falling out the rear of the bit holder. Reconsideration and withdrawal of the rejection is respectfully requested.

Applicant has cancelled all the claims in the application with the exception of claims 13 and 14, and has rewritten claim 14 in independent form. Applicant has amended claim 13 to indicate the invention as an assembly. Claims 13 and 14 should also now be allowable. Corrected drawings were submitted on April 4, 2005.

With this amendment it is believed that all grounds for objection have been overcome and the application is in condition for allowance. Such action is courteously solicited.

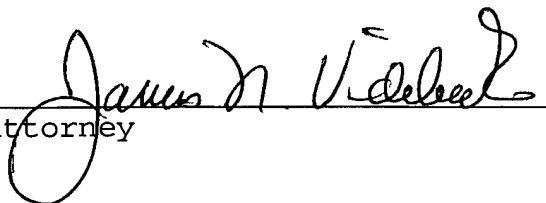
Respectfully submitted,

By 
James N. Videbeck
Reg. No. 27,241, Customer No. 26449
Attorney for Applicant
(630) 627-4552
Fax (630) 627-2145

PATNAUDE & VIDEBECK
Terrace Executive Center
Court C
1 S 376 Summit Avenue
Oakbrook Terrace, IL 60181

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Attorney